



Wacker Neuson Group – 9M/2023 Earnings Call & Webcast

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9 November, 2023



Wacker Neuson
Group

Nobody is perfect, but a team can be!



Overview 9M/2023 // Q3/2023

9M/2023				Q3/2023			
Revenue	EBIT margin	NWC ratio	FCF	Revenue	EBIT margin	NWC ratio	FCF
EUR 2,014 m	11.9%	35.5%	EUR -41 m	EUR 648 m	9.8%	35.5 %	EUR -10 m
(+22.7% yoy)	(py: 8.8%)	(py: 33.5%)	(py: EUR-150 m)	(+14.0% yoy)	(py: 10.0%)	(py: 33.5%)	(py: EUR -27 m)



Revenue still significantly above previous year; FY 2023 well covered by order backlog



Margin remains strong, decline in Q3 in line with economic expectations



NWC ratio, characterized by economic slowdown, above strategic target range ($\leq 30\%$)

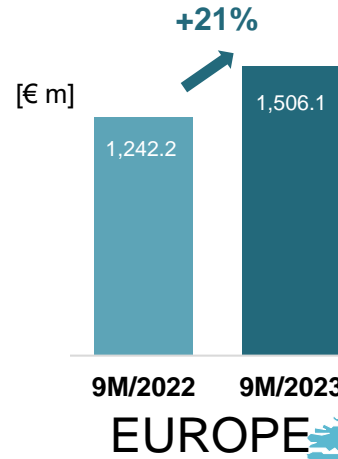
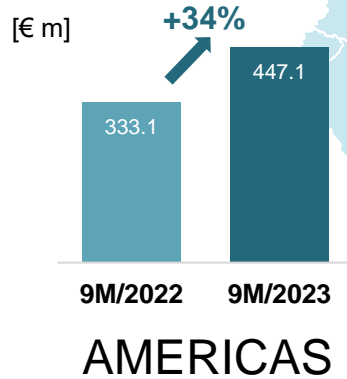


Supply chain situation significantly improved compared to 2022, but still challenging in some areas

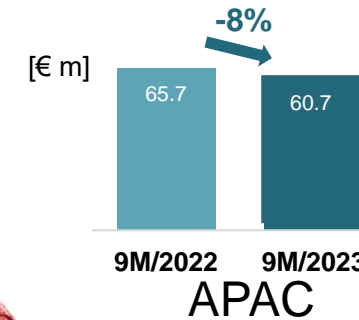
9M/2023: Europe and Americas with continued strong growth



22% of Group revenue¹



75% of Group revenue¹

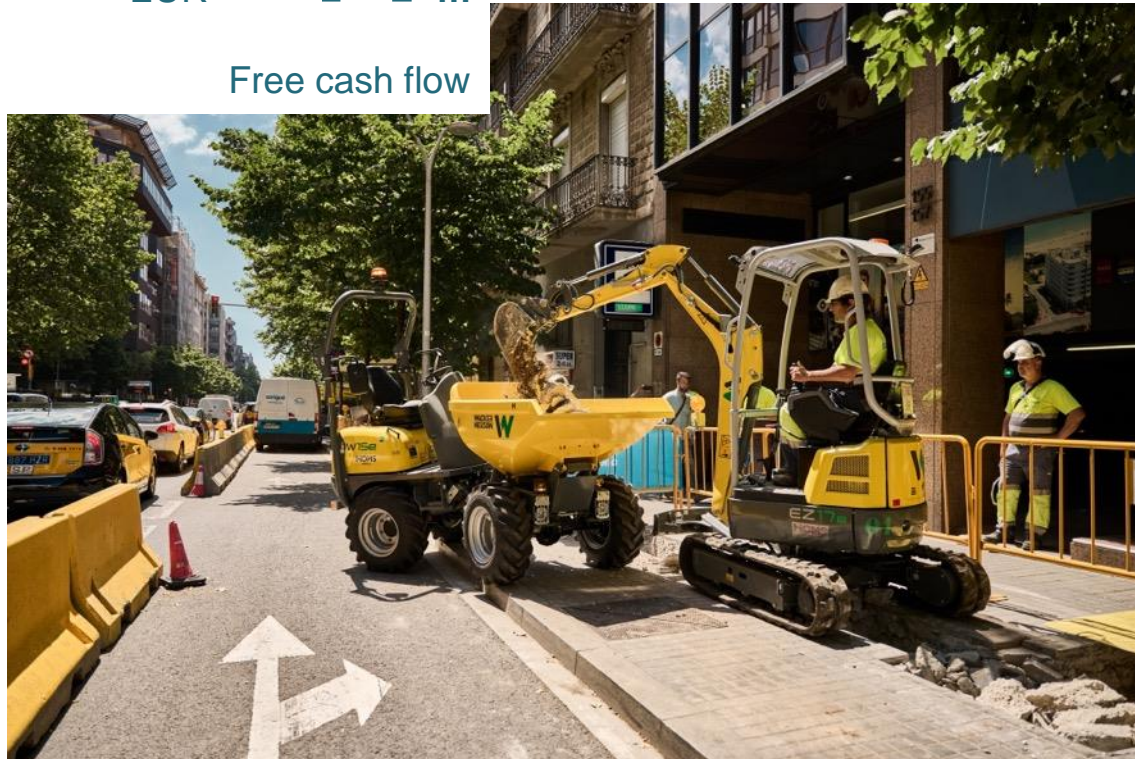


¹ 9M/22: Americas 20%; Europe 76%; APAC 4%.

Free cash flow impacted by cyclical NWC increase

EUR **-41** m

Free cash flow



EUR **-376** m

Net financial debt¹



0.9

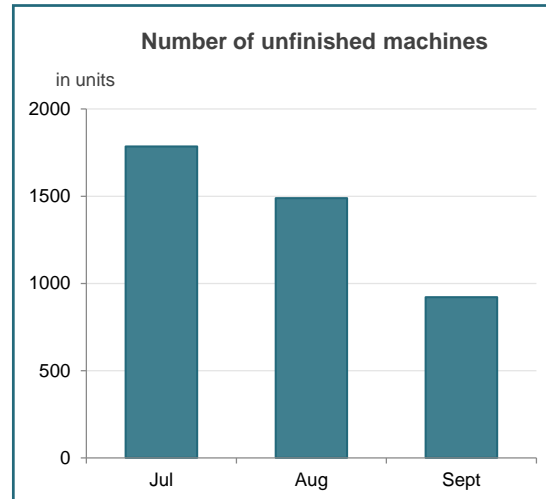
Net financial debt/ EBITDA²

¹ Net financial position = - Net financial debt = -(Non-current financial liabilities + current liabilities to banks + current portion of current liabilities - cash and cash equivalents - current time deposits).

² Net financial debt/annualized EBITDA for the reporting period.

Unfinished machines successfully reduced

- High level of unfinished machines significantly reduced
- As a result, and due to economic conditions, temporary increase in inventories of finished machines



Innovation „Active Sense Control (ASC)“

- Innovative radar-based safety system
- Object detection and integrated brake assistant
- Market launch from Q1/2024



Wacker Neuson Universe 2023

- Customer and dealer event in Reichertshofen in September 2023
- > 900 participating guests over three days



Kramer Dealer and Customer Day 2023

- Customer and dealer event in Pfullendorf in September 2023
- Product presentations and test event of new products



Outlook

Material, energy and transportation cost trends
pick up again

CEMA²

Business climate index for the European agricultural machinery sector **negative after further decline**, significant excess inventories meet recessionary trends



CECE³

Business climate index for the European construction equipment sector **continues to decline significantly**; negative expectations in Europe offset by positive sentiment in North America

Order backlog
continues to provide tailwind for full-year target achievement

Supply chain situation eased, but still challenging in some areas

Guidance for 2023

- Revenue between EUR 2,500 and 2,700 m
- EBIT margin between 10.0% and 11.0%
- Investments around EUR 140 m¹
- Net working capital ratio around 32 percent

¹ Investments in property, plant and equipment and intangible assets. Investments in the Group's own rental portfolio, equity investments and financial assets are not included.

² As of September 2023

³ As of September 2023

Financial calendar and contact

26 March 2024	Publication of Annual Report with Annual/Consolidated Financial Statements 2023, Earnings Call
07 May 2024	Publication of Quarterly Statement Q1/2024, Earnings Call
15 May 2024	Annual General Meeting, Munich
13 August 2024	Publication of Half-Year Report H1/2024 , Earnings Call
14 November 2024	Publication of Nine-month Statement 9M/2024, earnings call

Disclaimer

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Contact

Wacker Neuson SE Investor Relations

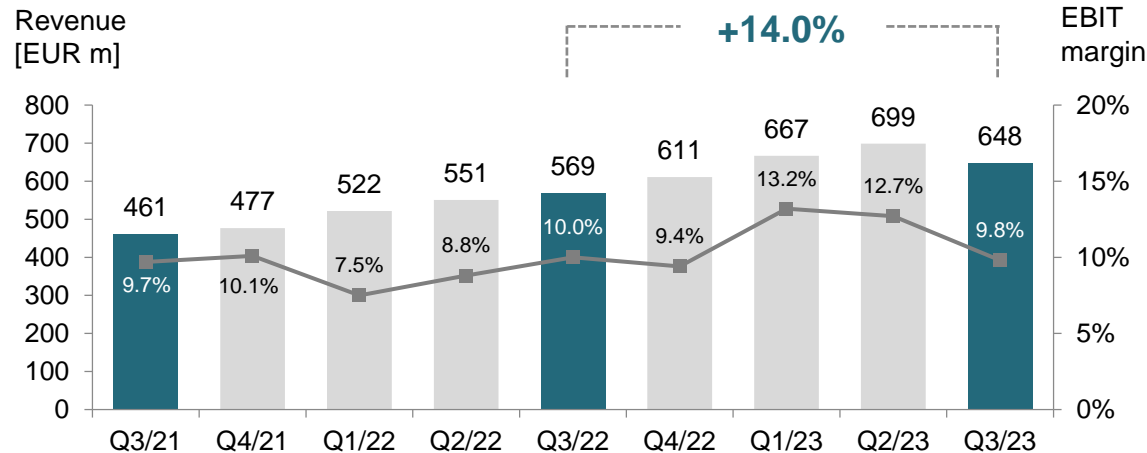
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Appendix

Revenue and earnings

Growth and profitability weakened due to economic conditions



Income statement (excerpt)

EUR m	Q3/23	Q3/22	Δ
Revenue	648.0	568.5	14.0%
Gross profit	162.1	139.4	16.3%
<i>in % of revenue</i>	25.0%	24.5%	0.5PP
Operating costs	-101.3	-84.9	19.3%
<i>in % of revenue</i>	-15.6%	-14.9%	-0.7PP
EBIT	63.7	57.1	11.6%
<i>in % of revenue</i>	9.8%	10.0%	-0.2PP
Financial result	-4.8	-3.0	60.0%
Income taxes	-15.9	-18.6	-14.5%
Result for the period	43.0	35.5	21.1%
Earnings per share (€)	0.63	0.52	21.2%

Comment Q3/2023

Revenue +14.0% yoy (adjusted for foreign exchange: +16.9%)

- Growth still in double digits despite economic slowdown, driven by Europe and North America
- Sentiment in construction and agriculture noticeably dampened

Gross profit +16.3% yoy (gross profit margin +0.5 PP)

- Slightly disproportionately lower increase in cost of sales against the backdrop of consistent cost management
- In addition, price adjustments compared with previous year still effective

EBIT +11.6% yoy (EBIT margin: -0.2 PP)

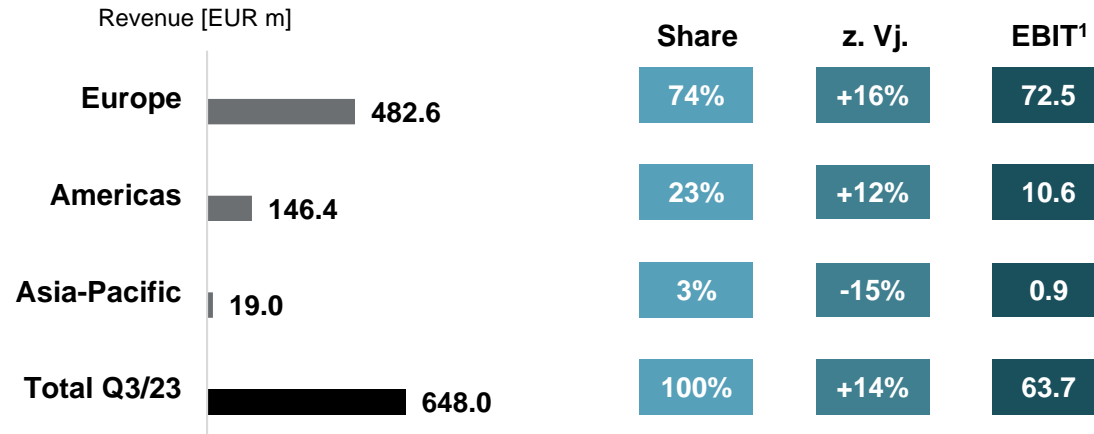
- Also double-digit growth, but slightly less than proportionate compared to revenue
- No one-off effects in contrast to H1
- Share of operating costs (sum of selling, R&D and administrative costs) slightly increasing (-0.7 PP yoy)

Earnings per share +21.2% yoy

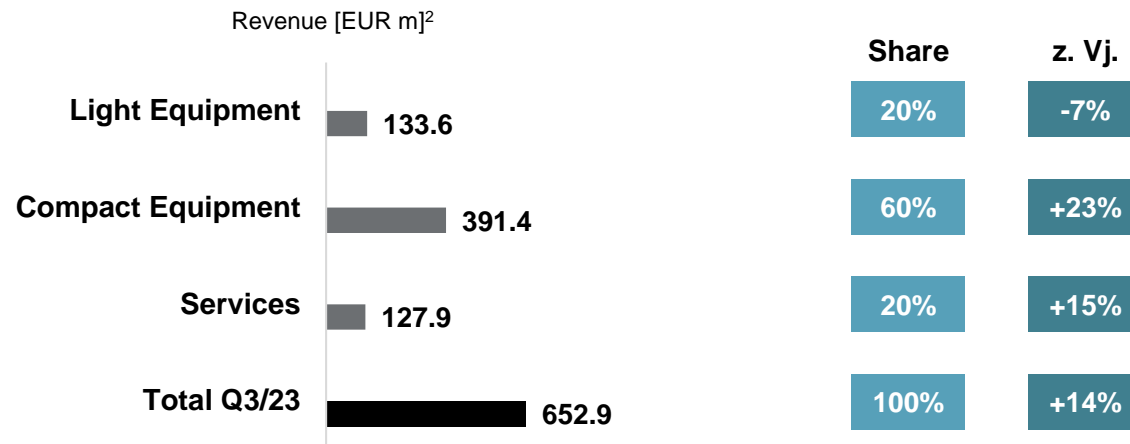
- Financial result still impacted by higher interest rates
- Tax rate of 27.0% significantly below previous year (Q3/22: 34.4%)

Development of the regions and business areas

Americas and Europe remain strong sales drivers



Compact Equipment Business Area with Largest Growth



¹ EBIT of the regions before consolidation.

² Sales per business area incl. cash discounts.

Comment Q3/2023

Revenue Europe (EMEA) +16.0% yoy (+16.6% adjusted for foreign exchange)

- Overall still good double-digit revenue growth
- At the same time, noticeably weaker growth momentum in all submarkets of the region
- Wheel loaders and telehandlers remain the most sought-after products
- Agricultural machinery business remains significant growth driver (+51.4%)

Revenue Americas +12.4% yoy (+21.6% adjusted for foreign exchange)

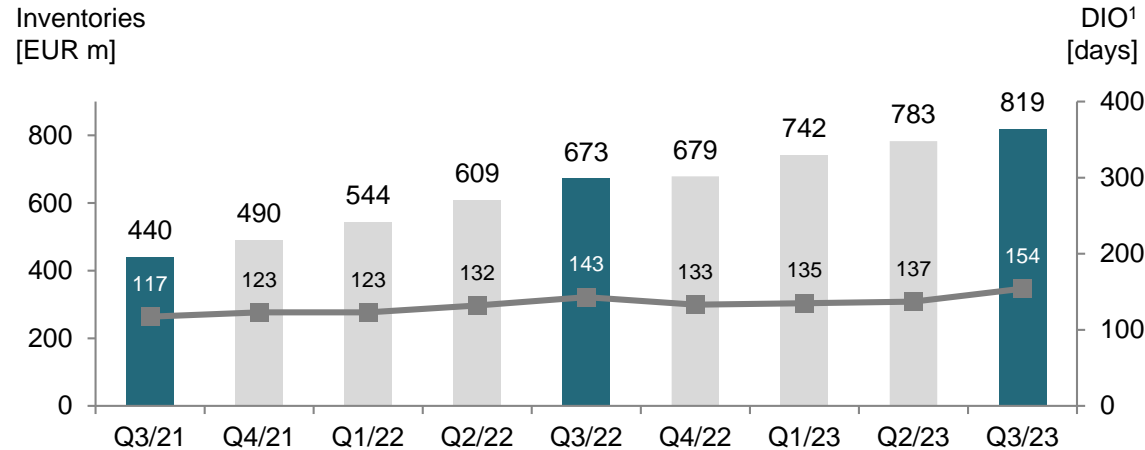
- Growth still in double digits, but weaker compared to previous quarters
- US dollar weakening against the euro
- Construction site equipment and excavators still in high demand

Revenue Asia-Pacific -14.8% yoy (-3.6% adjusted for foreign exchange)

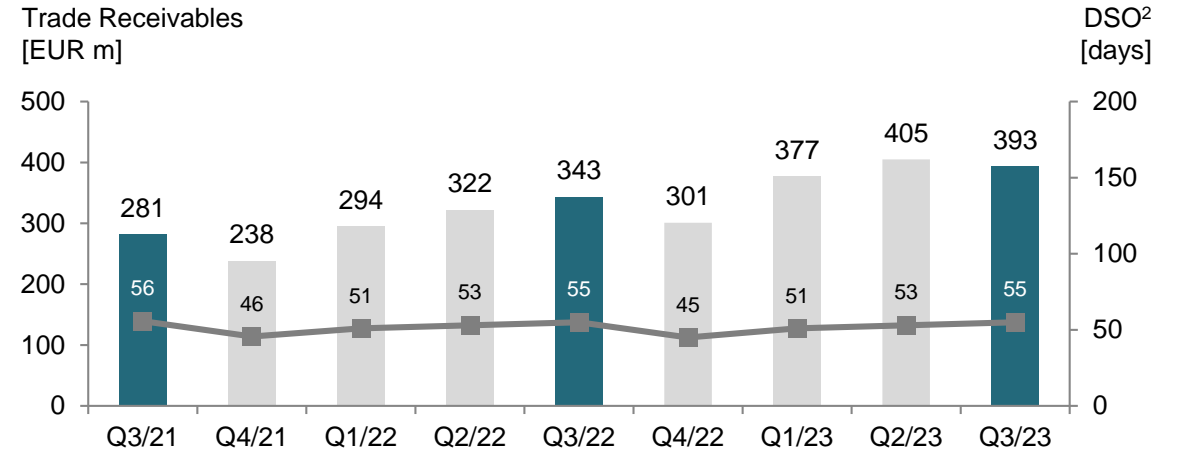
- Significant decline in revenue, Australia still most dynamic but also with downward trend
- Excavators and dumpers with most demand overall
- Continued currency weakness against the euro

Supply chain situation significantly improved, inventories increased

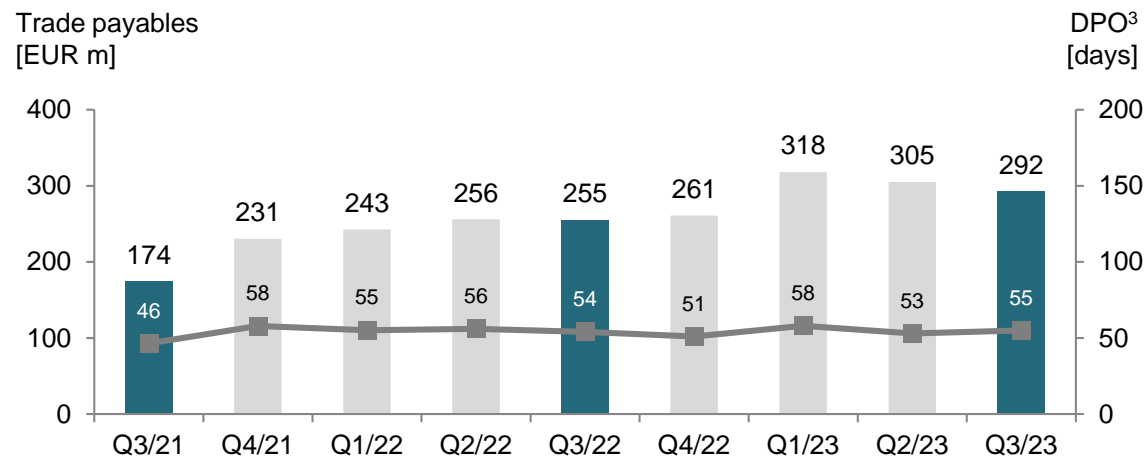
Inventories



Trade receivables



Trade payables



Comment

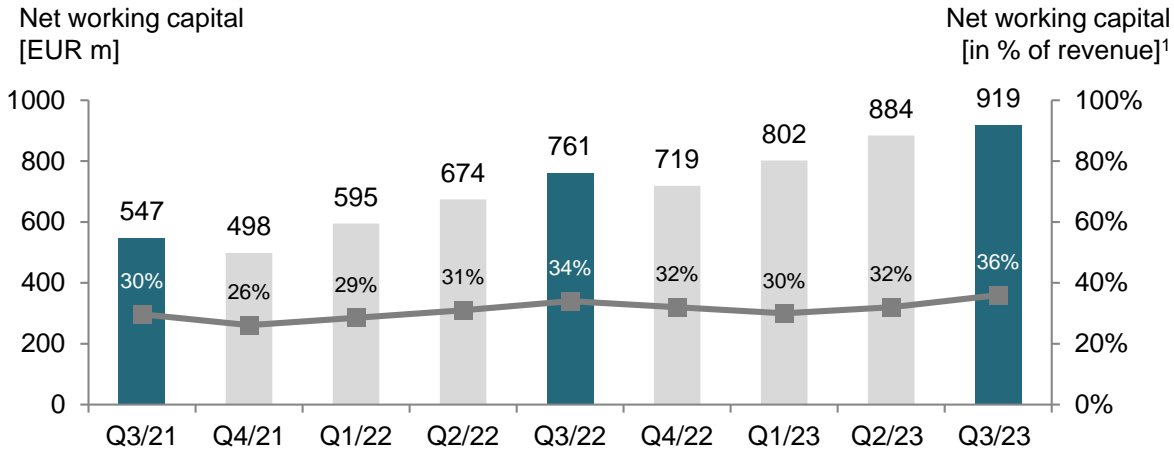
- Supply chain situation significantly improved compared to 2022, but still challenging in some areas
- Inventories impacted by economic slowdown
- Work in progress at end of Q3 down significantly compared with end of Q2, but increase in finished goods
- Trade accounts receivable and payable slightly reduced

¹ Days inventory outstanding = (inventories/(cost of sales*4))*365 days; ³ Days payables outstanding = (payables/(cost of sales*4))*365 days.

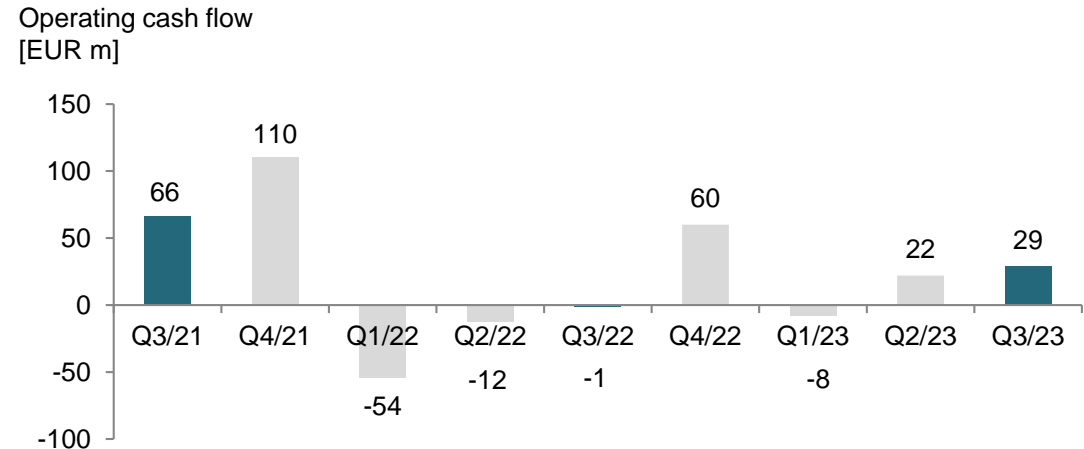
² Days sales outstanding = (receivables/(sales*4))*365 days;

NWC ratio impacted by economic slowdown

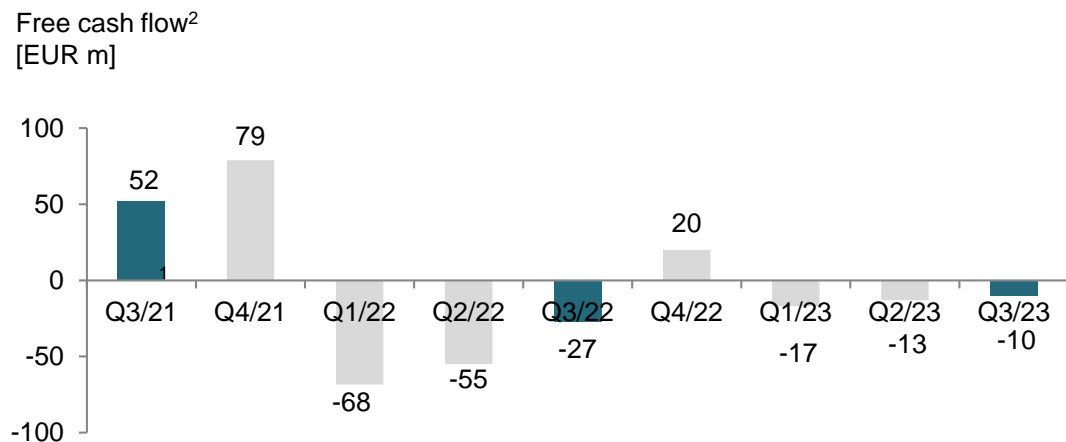
Net working capital



Operating cash flow



Free cash flow



Comment

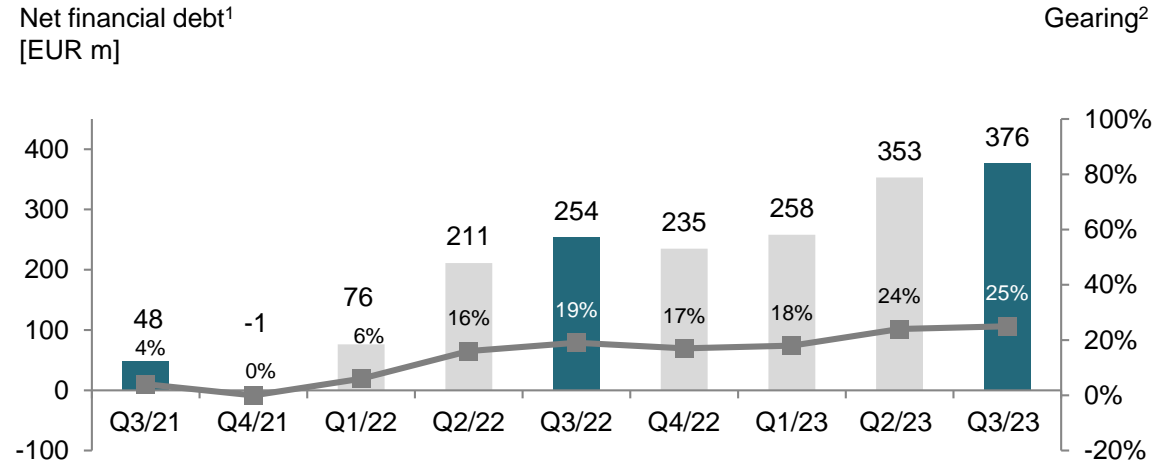
- Net working capital ratio characterized by economic slowdown above strategic target range of ≤ 30%.
- Capital expenditures of EUR 38.4 million in Q3 / EUR 107.6 million in 9M in line with forecast
- At EUR 28.5 million, operating cash flow continues to follow a positive trend over the course of the year
- Free cash flow also on upward trend at EUR -10.4 million, although noticeably impacted by NWC increase

¹ Net working capital as a % of annualized quarterly revenue.

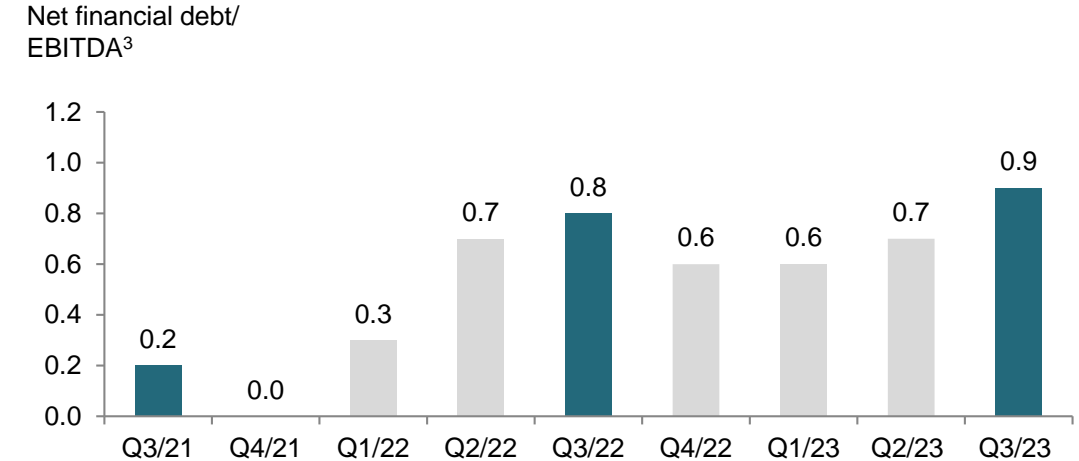
² Before taking into account outflows in or inflows from time deposits.

Continued solid financial structure with high equity ratio

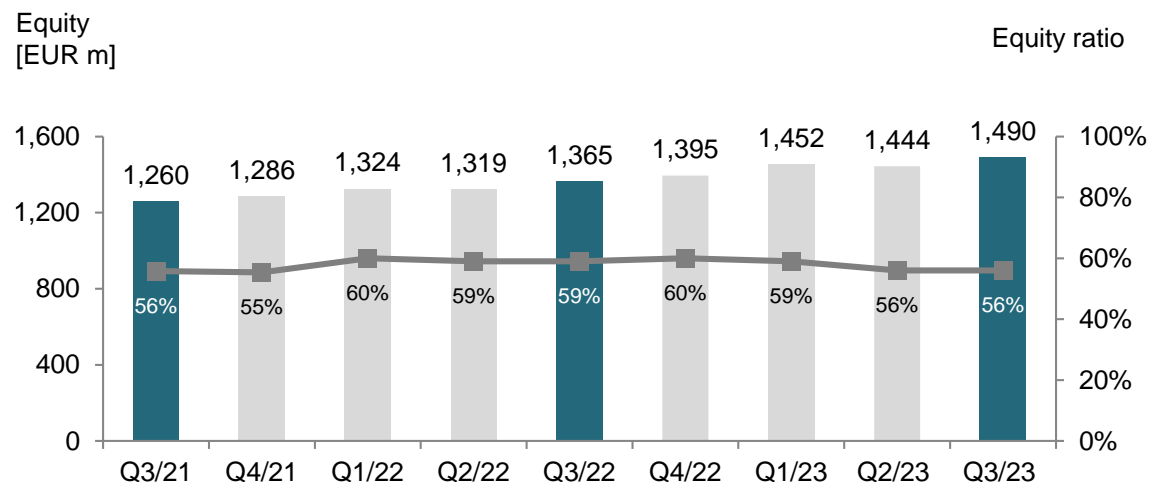
Net financial debt and gearing



Net financial debt/EBITDA³



Equity and equity ratio



Comment

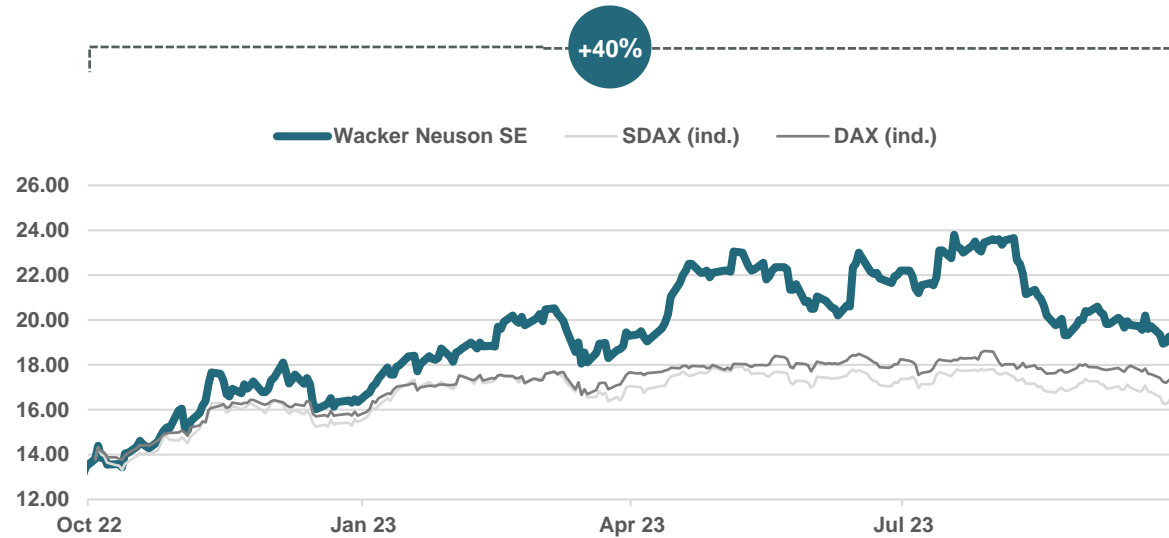
- Net financial debt¹ influenced by increased inventories (especially finished goods with reduction in work in progress)
- Increase in long-term credit lines to EUR 450 million as of 10/2023
- Gearing² slightly increased to 25%
- Net financial debt to EBITDA at 0.9 despite increase to be assessed as conservative
- Equity ratio slightly down at 56%

¹ Non-current financial liabilities + current liabilities to banks + current portion of current liabilities - cash and cash equivalents - current time deposits.

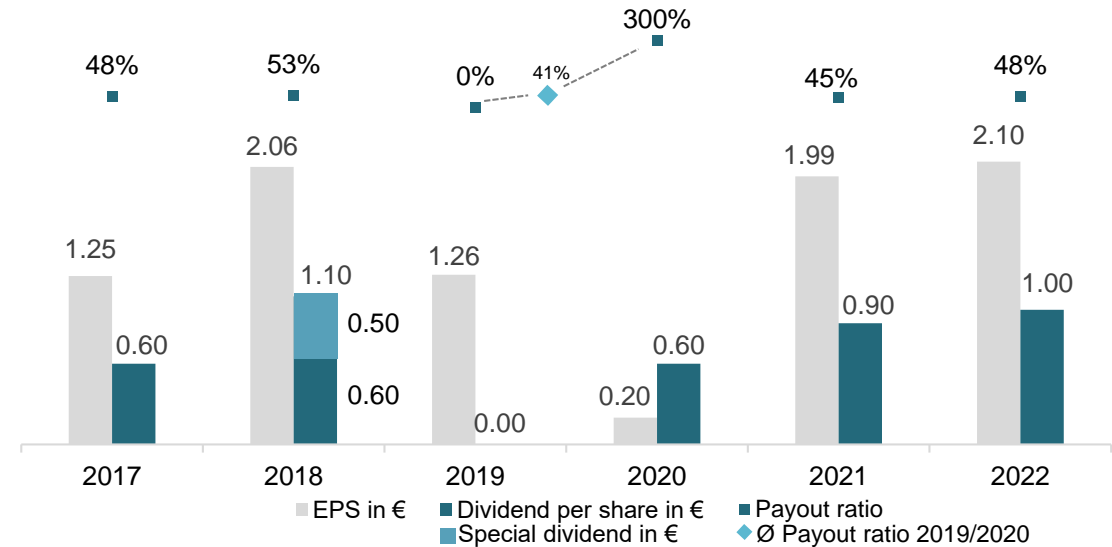
² Net financial debt/equity. ³ Net financial debt/annualized EBITDA for the quarter.

The Wacker Neuson Share

Share price development vs. relevant indices



Dividend payout



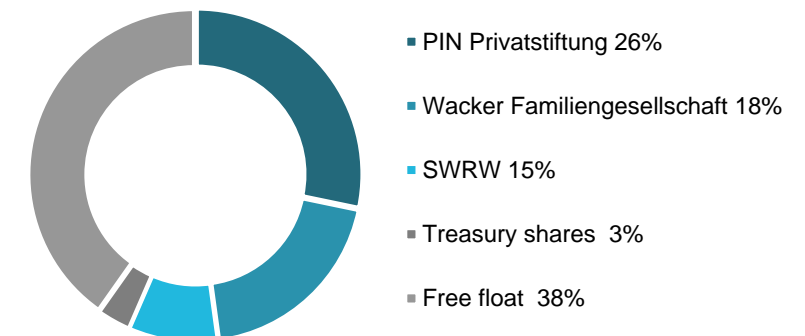
Key figures per share

in €	9M/2023	9M/2022
Earnings per share	2.48	1.49
Book value per share	21.24	19.47
Share price at end of period	19.30	13.47
Market capitalization (€ m)	1,353.7	920.9

Coverage (as of 1 August 2023)

Bank	TP (€)	Recom.	Date
Bankhaus Metzler	29.00	Buy	13 Oct 2023
Berenberg Bank	29.00	Buy	18 Sep 2023
Hauck Aufhäuser Lampe	36.00	Buy	17 Oct 2023
Jefferies	28.00	Buy	18 Oct 2023
Kepler Cheuvreux	17.00	Reduce	12 Oct 2023
Warburg Research	25.00	Hold	17 Oct 2023

Shareholder structure



(Total shares: 70,140,000)